



August 17, 2018

VIA ECFS
Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

**Re: Communications Marketplace Report, Wireline Competition Bureau Seeks
Comment on the State of Fixed Broadband Competition, GN Docket No. 18-231**

Dear Ms. Dortch:

The Satellite Industry Association (“SIA”)¹ submits these comments in response to the above noted public notice seeking comments and data to assist the Federal Communications Commission’s (“Commission”) Wireline Competition Bureau’s (“Bureau”) analysis of the state of fixed broadband competition as required by RAY BAUM’S Act of 2018.² The fixed broadband market is competitive among technologies that can deliver fixed broadband services. By ensuring that regulations and marketplace practices are technologically neutral the Commission can improve the competitive balance among all technologies that participate in the fixed broadband market. In addition, the Commission should refine its methodology for assessing fixed broadband coverage, to ensure that it is ascribing “unserved” and “underserved” labels, and thus limited resources, to the regions that require prioritization for fixed broadband service deployment.

Satellite broadband services provide competition to traditional terrestrially delivered broadband services. In 2016, satellite operators began broadly providing users across the United

¹ SIA Executive Members include: AT&T Services, Inc.; The Boeing Company; EchoStar Corporation; Intelsat S.A.; Iridium Communications Inc.; Kratos Defense & Security Solutions; Ligado Networks; Lockheed Martin Corporation; Maxar Technologies; Northrop Grumman Corporation; OneWeb; SES Americom, Inc.; Space Exploration Technologies Corp.; Spire Global, Inc.; and Viasat, Inc. SIA Associate Members include: ABS US Corp.; Analytic Graphics Inc.; Artel, LLC; Blue Origin: DataPath Inc.; Eutelsat America Corp; ExoAnalytic Solutions; Globecom; Glowlink Communications Technology, Inc.; Hawkeye360; Hughes Government Solutions; Inmarsat, Inc.; Kymeta Corporation; L3 Technologies.; Panasonic Avionics Corporation; Planet; Telesat; TrustComm, Inc.; Ultisat, Inc.; and XTAR, LLC. For more information, visit www.sia.org.

² *Wireline Competition Bureau Seeks Comment on the State of Fixed Broadband Competition*, Public Notice, DA 18-784 (rel. July 27, 2018) (“Public Notice”).



States with Commission-defined broadband speeds of 25/3 Mbps.³ This year the industry reached a new milestone, providing up to 100 Mbps download speeds in parts of the United States,⁴ and by 2021, SIA anticipates that those speeds will be available ubiquitously across the continental United States.⁵ Today, roughly 2 million fixed broadband subscribers in the United States are being served by reliable satellite broadband services at comparable rates and speeds that meet and surpass the Commission's definition of broadband service.⁶

Moreover, satellite broadband brings additional package options, greater capacity for video downloads and streaming, competitive pricing per gigabit, and innovative services to consumers in the United States, often in areas with only a single or low number of terrestrial providers. High quality and cost-effective satellite broadband is playing an increasingly important role in addressing the digital divide across the United States, especially in the most rural and remote areas of the country, where it remains uneconomical for terrestrial services to build. The nature of satellite's wide coverage ensures that all communities within a satellite network's footprint receive the same quality of service, whether they are located in remote regions or urban areas.

However, increased competition is possible if the Commission adopts a more technology neutral regulatory regime. Ubiquitous broadband deployment will result from the interplay of multiple technologies; all of which need equitable access to spectrum and funding to support deployment. Equitable does not mean that resources be allocated on a one-to-one basis, but it does require that each service be placed on a level playing field to compete for these scarce resources through technology neutral regulations.

The Bureau also seeks inputs on the criteria and metrics that should be used to evaluate the state of fixed broadband competition.⁷ SIA notes that one of the most important criteria in assessing the "state of competition" in the United States for fixed broadband services is ensuring that the metrics adopted to assess current levels of broadband coverage are accurately

³ Viasat, Inc. began providing 25/3 Mbps service in the United States in 2016. Hughes Network Systems, LLC launched its 25/3 Mbps service, HughesNet Gen5, across the continental United States and southeastern Alaska in March 2017, Puerto Rico in July 2017, and the U.S. Virgin Islands in November 2017.

⁴ Viasat, "Viasat Announces Highest-Speed, Unlimited Satellite Internet Service – Nationwide", Feb 27 2018, <https://www.viasat.com/news/viasat-announces-highest-speed-unlimited-satellite-internet-service-nationwide>

⁵ See e.g. Hughes Network Systems, LLC Application for Satellite Space Station Authorizations, IBFS File No. SAT-LOA-20170621-00092 (granted in part); see also Hughes Networks Systems, LLC Amendment of Application for Space Station Authorizations, IBFS File No. SAT-AMD-20170908-00128 (granted in part).

⁶ Both Viasat and Hughes currently have Commission-authorized, next generation broadband satellites, with planned coverage of the United States, under construction. See Hughes Application for HNS 95W space station, IBFS File No. SAT-LOA-20170621-00092 (filed June 21, 2017); see also Viasat Application for ViaSat-3

⁷ Public Notice, at ¶ 3.



accounting for all covered consumers. As Commissioner O'Reilly noted in a recent speech before the Mackinac Center for Public Policy:

More recently, we have seen comments, including those by my fellow Commissioners, that the [Commission]'s 2018 Broadband Deployment Report indicated that 24 million Americans do not have "broadband." However, this number represents those Americans without *wired* broadband. The real unserved population is 14 million, as 10 million households have satellite broadband of sufficient speed and functionality to meet our measurements. So why doesn't satellite broadband count in the minds of some, including certain regulators?⁸

The Commission's current data fails to account for the number of consumers who presently have access to satellite broadband services if they choose to activate them. Consumers living in regions covered by 25/3 Mbps satellite broadband service are not "unserved"; there is a broadband provider available in their region capable of installing service in a matter of days. As with terrestrial mobile and fiber networks, satellite networks can support anticipated consumer demand within their geographic coverage areas. Ensuring that these consumers are aware of all of their options, and that broadband policies are crafted to reflect these numbers, is a critical step in closing the digital divide. By accurately assessing broadband coverage to include service by all technologies, the Commission can prioritize the deployment of resources to communities that are truly unserved or only served by one provider.

Per the Bureau's request for data and statistics for 2016 and 2017, SIA attaches as Appendices A and B, relevant excerpts from our State of the Satellite Industry Reports for the requested years. Overall industry broadband revenue grew 4% from 2016 to 2017, and broadband subscribers grew by 5% to approximately 2 million. This data demonstrates that satellite broadband accounts for a growing segment of the satellite industry as a whole. SIA expects that in the next few years, with the planned launches of EchoStar XXIV and ViaSat-3, and of the anticipated new non-geostationary satellite constellations, the United States satellite broadband services market will experience additional growth.

To enable true competition among fixed broadband services, the Commission must ensure that its analysis of competition accurately reflects competition across all technology platforms and all technologies available to consumers in a geographic area. In order to enable further competition, the Commission must ensure that its regulations are technology neutral, including for the allocation of scarce resources, such as spectrum and funding.

⁸ Remarks of Commissioner Michael O'Reilly, "Smart Regs for Smart Tech: How Government Can Allow Next Gen Internet Networks to Flourish." (Mackinac Center for Public Policy, June 20, 2018) (emphasis in original) *available at* <https://docs.fcc.gov/public/attachments/DOC-351816A1.pdf>.



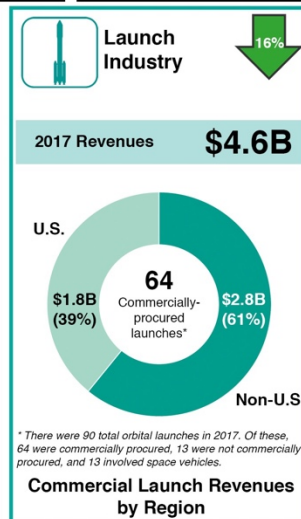
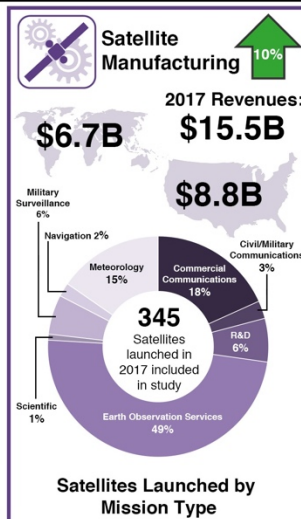
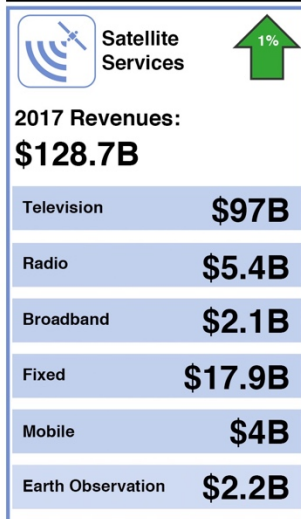
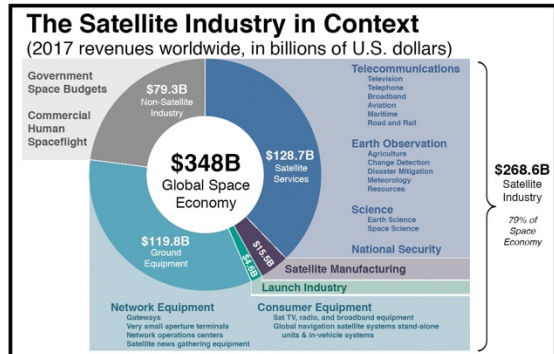
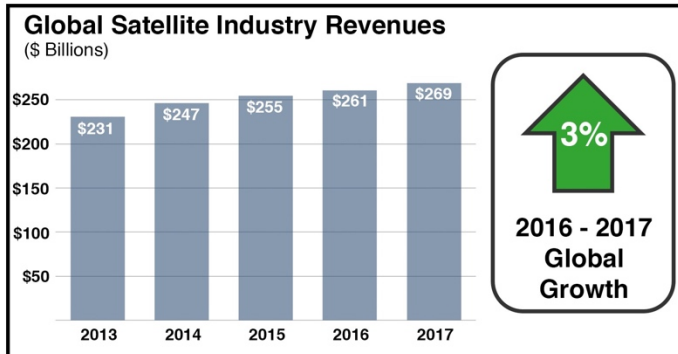
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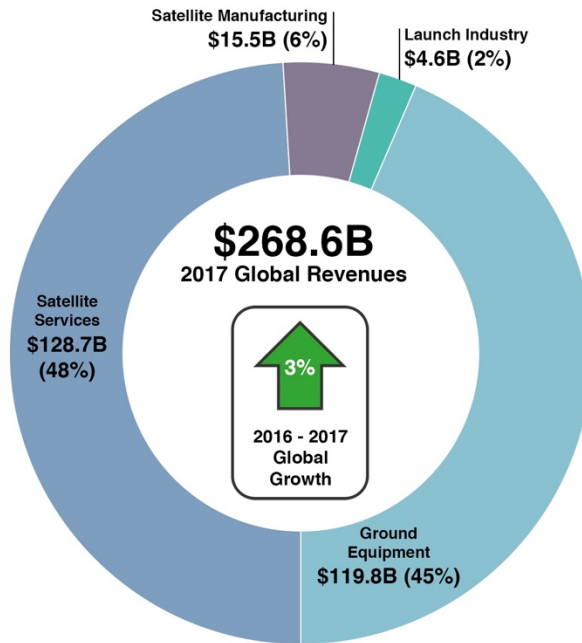
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Appendix A: SIA State of the Satellite Industry Report Summary

2018 State of the Satellite Industry



2018 Top-Level Global Satellite Industry Findings



For more information on the satellite industry, or for previous SSIR reports, contact SIA:

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Bryce Space and Technology
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Satellite services, the largest segment; 1% growth. Consumer services continue to dominate the overall satellite industry



Satellite manufacturing revenues increased by 10%. More satellites launched in 2017



Launch industry revenues declined by 16%. Number of launches consistent with previous year. More launches using less expensive launch vehicle types



Ground equipment revenues grew by 5.6%. Growth in GNSS and network equipment, consumer equipment remaining flat

Produced by Bryce Space and Technology (formerly Tauri Group Space and Technology)

Appendix B: SIA State of the Satellite Industry Report, US Satellite Services Revenue

